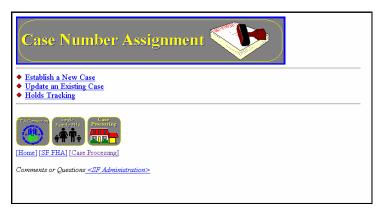
Processing a Case

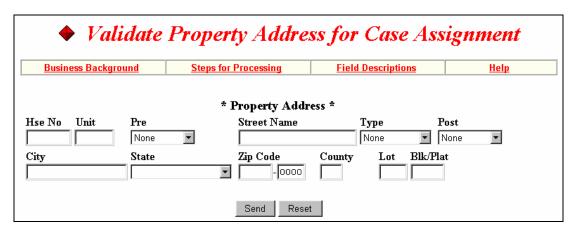
Establishing a New Case

he Case Processing menu includes all pages necessary to process an FHA case from initial application through endorsement. When a borrower applies for an FHA-insured mortgage, the lender must gather required information and can then use Case Number Assignment (see sample below) to establish the case in HUD's origination system and be assigned an FHA case number. Once the case number is assigned, a lender or sponsor may use the case number and lender ID to access and update existing case information.



The Case Number Assignment process requires validating the address of the property against the United States Postal Service (USPS) information. This information is stored in HUD's origination system for processing cases and is updated quarterly. To validate the address:

1. On the Case Number Assignment page, click <u>Establish a New Case</u>. The Validate Property Address page appears (see sample below).



- Refer to Help links at the top of each page for:
 - Business Background (purpose, tasks performed, resources)
 - Steps for Processing (detailed instructions on how to enter information and process the case)
 - Field Descriptions (each field defined and listed alphabetically or in the order of appearance)
 - Help (topic index)
- 2. Enter the property's street address and click Send.

- When validating the address, you may find that some properties may not be listed by the USPS or may be listed with a slight difference in the address. If one of these types of errors occurs, you may accept the address on record with the USPS or use the Override Address Validation option.
- The USPS updates this list on a quarterly basis, so it may not be current for proposed construction, for example.
- When the address cannot be validated or the address validation is overridden, a valid city and county code for the entered zip code can be selected from the drop-down lists.
- If the Override Address Validation option is selected, the address is used in order to continue processing but is marked as unvalidated against the current USPS data recorded in HUD's system. Prior to endorsement a valid address must be entered. This may be done in Case Number Assignment or later in Borrower/Address Change.
- 3. The Case Number Assignment page displays.

On this page, information must be provided in the General Information and Property Address sections. Depending on the features of the case, information may need to be provided in some of the other sections as well.

Using Case Number Assignment to Process a Case

o illustrate the general procedure for case number assignment using the FHA Connection, representative processing steps for a 203k HUD Real Estate Owned (REO)—formerly Property Disposition (PD)—case are shown. 203k insurance enables homebuyers and homeowners to finance both the purchase (or refinance) of a house and the cost of its rehabilitation through a single mortgage or to finance the rehabilitation of an existing home. The types of choices and entries you must make in completing the Case Number Assignment page are shown, section by section, from **General Information** to **As Required** to the **Appraiser Fields** portion.

For a 203k REO case, enter the following required information on the Case Number Assignment page:

- 1. *General Information* (see sample page section below):
 - a) In the **Processing Type** list box, select *Real Estate Owned*.
 - b) In **ADP Code**, enter a valid ADP code. (Refer to the ADP Code chart for REO cases provided at the end of the **Tips** section that follows. 203k REO codes are highlighted in yellow.)
 - c) In **Program ID**, enter either 40 (Secretary-held sale substantial rehabilitation) or 41 (Secretary-held sale substantial rehabilitation in urban renewal area).

Originator ID: Sponsor/Agent ID:					
inancing Type:					

- 2. *As Required* (see sample page section below):
 - a) In Prior FHA and Prior REO Cases: Enter case number of previous case, enter the case number for the previous loan. The previous case number should be on the Sales Contract.
 - b) If you receive a message that the prior case number does not exist:
 - verify that the prior REO case number was entered correctly. If entered correctly, try re-entering with an 'X' as the tenth digit.
 - check the address on the case. If the address does not match the address for the prior case number exactly, the system cannot match the two cases.
 - send an e-mail to the Single Family Administration (<u>sfadmin@hud.gov</u>) with the property address, previous case number, and error message, or call your local Field Office or HOC for assistance to correct the address on the prior case number.

* As Required * All Refinances: Select streamline refinance type: Not Streamlined					
Prior FHA and prior REO cases: Enter case number of previous case:					
203k Consultant ID:					
PUD/Condo Indicator: PUD/Condo ID: Phase: Spot Lot: N/A N/A N/A					
Month/Year Completed: VA CRV Expire Date: VA CRV Number:					
Prior FHA Case: Enter the following for new case: Projected Closing Date:					
Contact Name: Contact Phone:					

- 3. * Appraiser Fields* (see sample page section below):
 - a) In **Assignment Choice**, choose *Lender Select*. (Lender assigns an appraiser selected from the FHA's roster of approved appraisers.) Note: *Manual* is used in cases when an HOC assigns the appraiser, as can take place in some 203k REO cases.
 - b) In **Assignment Date**, when you have chosen *Lender Select*, enter the date the appraiser was assigned. Note: Selection of *Manual* in **Assignment Choice** would require an appraiser assignment date prior to the date of case number request.

* Appraiser Fields *							
Assignment Choice: N/A	License ID:						
Assignment Date: /////							

Tips



ere are some suggestions and reminders to assist you in completing the Case Number Assignment steps required to obtain a case number.

Validate Property Address for Case Number Assignment

- 1. The property must have a street address to complete the Insurance Application.
- 2. The street address is validated against the USPS information and since this information is only updated quarterly, you may encounter problems validating the address.
- 3. You may be able to proceed to Case Number Assignment without a validated address by selecting the Override option but the case cannot be endorsed until a valid address is entered.
- 4. If the address is undetermined because of proposed or current construction, enter the lot, block, and plat information for the property.
- 5. If there is a problem with the zip code due to a new city name or rezoning, contact your HOC.
- 6. If you need further assistance or more information, refer to the Validate Property Address help.

Case Number Assignment

- Field Office: The appropriate HUD Field Office area in which the property is located must be selected.
 Case Number Assignment provides a drop-down list of field offices restricted to those valid for the entered address.
- 2. **Look Ups**: Click located next to the field and go directly to the relevant FHA Approval List, e.g., ADP Codes, Program ID, 203k Consultant, or PUD/Condos.
- 3. **User Aids**: Click located next to **Appraiser ID** and/or **Originator ID** to create, maintain, and refer to your own list of appraisers or lenders. The list is saved on your local computer and can contain up to 20 appraisers or lenders. Appraiser Favorites allows you to search Appraisers on the FHA Approval List.
- 4. **Projected Closing Date**: It is important that the **Projected Closing Date** is correct because the upfront mortgage insurance premium (UFMIP) netting amount is calculated using this date. If the actual closing date differs by a month or more, the UFMIP netting available for the new case (if any remains) will be less and the UFMIP required will be greater. UFMIP not paid within 10 days of the actual closing is assessed a late fee.
- 5. **Refinance Netting**: When an FHA case number is assigned for a refinance case, the netting authorization information displays at the bottom of the Case Number Assignment Results page. Before further processing, verify that the address and borrower information displayed in the netting area is correct (this information does not appear again on the Case Number Assignment Results page once you close the page). If incorrect, contact the HUD HOC. Use Refinance Authorization to view the refinance netting information again.
- 6. If you need further assistance or more information, refer to the Case Number Assignment help.

ADP Codes for REO Cases

The chart on the next page provides the ADP Codes that can be used for an REO case. Codes highlighted in yellow can be used for a 203k REO case. This chart is based on the full ADP Code list available on the FHA Approval List menu.

ADP Codes for REO Cases

Section of the Act	Description	ADP Code for DE	ADP Code for VA CRV	ADP Code if pursuant to 223(e)
203(b)	Mutual Mortgage	703		303
203(b)	Adjustable Rate Mortgage (ARM)	729		
203(b)	223(e) Adjustable Rate Mortgage (ARM)	829		
203(b)	VA CRV 223(e) Mortgage	792		
203(b)	Hawaiian Homelands (HHL)	759		
203(b)	Hawaiian Homelands/Adj Rate Mtg (HHL/ARM)	780		
203(b)	Hawaiian Homelands/Interest Buy-down (HHL/IBD)	811		
203(b)	Indian Lands (Salamanca, NY) (IL)		591	
203(b)/238(c)	Military Impact Area (MIA)	774		374
203(b)/238(c)/245(a)	Military Impact Area/Grad Pymt Mtg (MIA/GPM)	776		
203(b)/245(a)	Graduated Payment Mortgage (GPM)	770		
203(b)/245(a)	Grad Pymt Mtg/Growing Equity Mtg (GPM/GEM)	741		341
203(b)/245(a)	Grad Pymt Mtg/Interest Buy-down (GPM-IBD)	763		
203(b)/245(a)	Grad Pymt Mtg/Hawaiian Homelands (GPM/HHL)	793		
203(k)	Improvements/First Lien	702	502	302
203(k)	223(e)/Direct Endorsement	802		
203(k)	Adjustable Rate Mortgage (ARM)	730	530	
203(k)/245(a)	Grad Pymt Mtg/Growing Equity Mtg (GPM/GEM)	754	554	
203(k)	Escrow Commitment	707		
203(k)	Energy Efficiency Mortgage (EEM)	807	507	307
203(k)	Hawaiian Homelands (HHL)	808		
203(k)	Hawaiian Homelands/Interest Buy-down (HHL/IBD)	805		
203(k)	Condominium	804		
203(k)	Condominium/Adjustable Rate Mortgage (ARM)	815		
203(k)	Condominium/Interest Buy-down (IBD)	812		
203(k)	Interest Buy-down (IBD)	813		
203(n)	Cooperative - Individual Unit			360
213	Cooperative - Sales - Type Releases			313
220(d)(3)	Urban Renewal	720		320
234(c)	Condominium	734		334
234(c)	Adjustable Rate Mortgage (ARM)	731		
234(c)/238(c)/245(a)	Military Impact Area/Grad Pymt Mtg (MIA/GPM)	777		
234(c)/245(a)	Graduated Payment Mortgage (GPM)	771		
234(c)/245(a)	Grad Pymt Mtg/Growing Equity Mtg (GPM/GEM)	742		342
Other Sections - Militar	Other Sections - Military Impact Area (MIA)			379
	All MMI Sections - Interest Buy-down (excl Coinsurance and 245(a)) (IBD)			

Note:

- 1. **ADP Code for DE:** Under the Direct Endorsement Program (DE), the mortgagee assumes responsibility for the obligation of the mortgage loan without prior HUD review.
- 2. ADP Code for VA CRV: Department of Veterans Affairs Certificate of Reasonable Value.
- ADP Code if pursuant to 223(e): All mortgages insured pursuant to Section 223(e) are obligations of the Special Risk Insurance Fund.
- 4. FHA Insurance Fund:

MMI = Mutual Mortgage Insurance GI = General Insurance SRI = Special Risk Insurance